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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/843,191	04/26/2001	Carl E. Kent	6753.01	9167

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EXAMINER

BORLINGHAUS, JASON M

ART UNIT	PAPER NUMBER
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3628

DATE MAILED: 09/23/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No. 09/843,191	Applicant(s) KENT, CARL E.	
	Examiner Jason M. Borlinghaus	Art Unit 3628	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 06 August 2001.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-20 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-20 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 06 August 2001 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|---|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1 – 12 and 18 - 20 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The basis of this rejection is set forth in a two-prong test of:

- (1) whether the invention is within the technological arts; and
- (2) whether the invention produces a useful, concrete, and tangible result.

For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract that do not apply, involve, use, or advance the technological arts fail to promote the “progress of science and the useful arts” and therefore are found to be non-statutory subject matter. For a process claim to pass muster, the recited process must somehow apply, involve, use, or advance the technological arts.

In the present case, there is no indication that the proposed method and/or system is not being manually performed by a person utilizing pencil and paper or the calculations performed are not being performed with a person's mind.

As to technological arts recited in the preamble, mere recitation in the preamble or mere implication of employing a machine or article of manufacture to perform some or all of the recited steps does not confer statutory subject matter to an otherwise

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abstract idea unless there is positive recitation in the claim as a whole to breathe life and meaning into the preamble

In the present case, none of the recited steps are directed to anything in the technological arts as explained above with the exception of the recitation in the preamble that the method is "computer-implemented". Looking at the claim as a whole, nothing in the body of the claim recites any structure or functionality to suggest that a computer performs the recited steps. Therefore, the preamble is taken to merely recite a field of use.

Mere intended or nominal use of a component, albeit within technological arts, does not confer statutory subject matter to an otherwise abstract idea if the component does not apply, involve, use or advance the underlying process.

In the present case, the dependent claims recite only an implied use of technology through the use of the phrase "electronically" or nominal use of a technological component such as "on-line communication" which fails to confer statutory subject matter to an otherwise abstract idea.

Additionally, for a claimed invention to be statutory, the claimed invention must produce a useful, concrete, and tangible result. In the present case, the claimed invention facilitates trading tax credits.

Although the recited process produces a useful, concrete, and tangible result, since the claimed invention, as a whole, is not within the technological arts as explained above, Claims 1 – 12 and 18 - 20 are deemed to be directed to non-statutory subject matter.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

Claims 1 – 18 and 20 are rejected under 35 U.S.C. 103(a) as being unpatentable over Miller (Miller, Michael. *The Complete Idiot's Guide to Online Auctions*. Que. 1999) in view of Disclosed Prior Art (see applicant's specification, pp. 2 - 6).

Regarding Claims 1 – 12, Miller discloses a method for buying and selling items, the method comprising:

- (a) a first user (seller) posting (listing) information (ad) regarding the item.
(see p. 12);
- (b) a second user (potential buyer) bidding for the sale (auction) of the item via a communication path (internet). (see pp. 8 – 9); and

- (c) the first user (seller) accepting (auction winner notification – see p. 38) or rejecting the bid. (outbid notification – see p. 193);
- wherein the first/second user is an owner of the item (seller) and the first/second user (potential buyer) is a prospective buyer (potential buyer) of the item. (see pp. 8 – 9);
 - further comprising the users (sellers/buyers) selecting a trading pit (categories/subcategories) in which to trade the items (see pp. 144 – 145);
 - further comprising allowing the users to list information regarding multiple items on one database (online site). (see pp. 144 – 145);
 - further comprising allowing the first and second users (buyer/sellers) to make contact via an on-line communication (Internet). (see p. 8);
 - wherein the on-line communication (Internet) is selected from the group consisting of: an internet electronic mail message (e-mail). (see p. 38);
 - wherein a third user can electronically (view) see the bid made by the second user (current high bidder). (see p. 190);
 - wherein the second user (potential buyer) may submit multiple bids. (see pp. 193 – 194).
 - wherein the first party (seller) communicates the rejection (outbid notification – see p. 193) or acceptance (auction winner notification – see p. 38) to the second party (potential buyer) via an e-mail message; and

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- further comprising the users performing on-line the transfer of the item's ownership (settlement of transaction – paying and shipping – via e-mail – see pp. 37 – 42).

Miller does not teach a method for buying and selling tax credits, the method comprising:

- (a) a first user posting information regarding the tax credits;
 - (b) a second user bidding for the sale of the tax credits via a communication path; and
 - (c) the first user accepting or rejecting the bid;
- wherein the first/second user is an owner of the tax credits, and the first/second user is a prospective buyer of the tax credits.
 - further comprising the users selecting a trading pit in which to trade the tax credits;
 - wherein the trading pit is selected from the group consisting of: affordable housing, commercial property, historic property, educational property, and industrial property;
 - further comprising allowing the users to list investment information regarding tax credits and investment properties on one database.
 - further comprising the users performing on-line registration for transfer of the tax credit ownership.

Buying and selling tax credits, as well as the inherent transfer of ownership of such tax credits through such process, is old and well known in the art of tax credits and

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taxation. As evidenced by Disclosed Prior Art which states "One feature of tax credits, is that they may be sold to other entities that have income tax obligations in the same jurisdiction in which the credits were issued." (see specification, p. 3, lines 10 –11). It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified Miller by incorporating the auctioning and transfer of tax credits, as disclosed by Disclosed Prior Art, to achieve the best price for the tax credits via the competitive bidding process inherent within an auction.

Additionally, linking information between the tax credit and the investment property generating the tax credit is old and well known in the art of tax credits and taxation. As evidenced by Disclosed Prior Art which states "One feature of tax credits, is that they may be sold to other entities that have income tax obligations in the same jurisdiction in which the credits were issued." (see specification, p. 3, lines 10 –11) and "...tax credits allocated to projects..." (see specification, p. 3, lines 7 – 8). It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified Miller by incorporating tax credit and investment property information, as disclosed by Disclosed Prior Art, into the same database since the tax credits' value is linked to the jurisdiction that granted the tax credits, in which the investment property is located, and is allocated based upon the underlying investment property (project).

Furthermore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified Miller and Disclosed Prior Art to allow for any category of tax credit to be traded that the inventor desired.

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Regarding Claims 13 – 17, Miller discloses an apparatus for facilitating the trade (auction) of items, comprising the instructions for:

- (a) receiving item information (bid) from a first user (potential buyer). (see p. 12);
 - (b) receiving (posting) item information (ad) from a second user (seller). (see pp. 8 – 9); and
 - (c) facilitating trade of the items between the first user (potential buyer) and the second user (seller). (see pp. 12 – 13);
- wherein the first user is a buyer and the second user is a seller. (see pp. 8 – 9);
 - wherein trade of the items is accomplished by an auction means. (see pp. 12 – 13);
 - further comprising a means for researching (browsing/searching) items. (see pp. 144 – 148);
 - further comprising a means (Internet/email) for the users to communicate. (see pp. 8 – 9, 38).

Miller does not teach an apparatus for facilitating the trade of tax credits, comprising a server containing instructions for:

- (a) receiving tax credit information from a first user;
- (b) receiving tax credit information from a second user; and
- (c) facilitating trade of the tax credits between the first user and the second user.

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- wherein trade of the tax credits is accomplished by an auction means.

Buying and selling tax credits is old and well known in the art of tax credits and taxation. As evidenced by Disclosed Prior Art which states "One feature of tax credits, is that they may be sold to other entities that have income tax obligations in the same jurisdiction in which the credits were issued." (see specification, p. 3, lines 10 –11). It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified Miller by incorporating tax credits, as disclosed by Disclosed Prior Art, to utilize traditional online auction procedures for another item, tax credits, capturing the best price for the tax credits via the competitive bidding process inherent within an auction.

Locating an online auction and the instructions comprising the online auction on a server is old and well known in the art of computer system architecture and Internet site design. It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified Miller and Disclosed Prior by incorporating a server, as is old and well known in the art, to allow the online auction to function on the Internet.

Regarding Claims 18 and 20, Miller discloses a method for consumers to find available items, the method comprising:

- (a) a first user (seller) listing (posting) information (ad) on an item. (see p. 12);
 - (b) a second user (potential buyer) conducting an electronic search for items.
- (see pp. 144 – 148);

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(c) the second user (potential buyer) selecting the item (via bid submission).

(see pp. 12 – 13); and

(d) the first and second user consummating the transaction on-line. (see pp. 37 – 42);

- further comprising the second user (potential buyer) electronically conducting research (searching/browsing) on the item. (see pp. 144 – 148).

Miller does not teach a method for

(a) a first user listing information on a property;

(b) a second user conducting an electronic search for properties;

(c) the second user selecting the property; and

- further comprising the second user electronically conducting research on the property.

Buying and selling properties manually, and researching such properties electronically, is old and well known in the art of real estate sales. As evidenced by Disclosed Prior Art which states “The sites provide users with properties matching their search criteria.” (see specification, p. 5, lines 3 – 4). It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified Miller by incorporating properties, as disclosed by Disclosed Prior Art, to utilize traditional online auction procedures for another item, property, capturing the best price for the properties via the competitive bidding process inherent within an auction.

Claim 19 is rejected under 35 U.S.C. 103(a) as being unpatentable over Miller and Disclosed Prior Art, as in Claim 18 above, and in further view of Manecksha (Manecksha, Ferina. *SabahNet Project Enters Phase Two. New Straits Times*. Kuala Lumpur. April 23, 1998. p. 1).

Regarding Claim 19, neither Miller nor Disclosed Art teach a method further comprising:

- the second user electronically preparing and submitting a housing application.

Electronically preparing and submitting a housing application is old and well known in the art of electronic document transmission and the housing marketplace. As evidenced by Manecksha which states "For example, the public can access information relating to the Government and fill in licensing and low-cost housing application forms as well as conduct other Government-related matters electronically." (see p. 1). It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified Miller and Disclosed Prior Art by incorporating the ability to electronically prepare and submit a housing application, as disclosed by Manecksha, to integrate the housing application process into the housing purchasing process.


Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Jason M. Borlinghaus whose telephone number is (571) 272-6924. The examiner can normally be reached on 8:30am-5:00pm M-F.

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If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung Sough can be reached on (571) 272-6799. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).


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